

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3360 - SB 3779

February 19, 2010

SUMMARY OF BILL: Prohibits the appropriation or expenditure of funds in FY10-11 for the Arts Commission, public television grants, operating and administrative costs of ferry transportation service across the Tennessee River between Benton County and Houston County, operating and administrative costs for all but two airplanes owned by the state (except planes used for higher education or military purposes), earthquake study preparedness, and golf courses owned by the state that were not profitable in FY08-09 and those not projected to be profitable in FY09-10. Requires any resulting savings to be equally allocated to the Department of Mental Health and Developmental Disabilities, the Department of Human Services, and to the Department of Correction.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures - \$6,366,300/Various Dedicated Accounts

Increase State Expenditures –

\$2,122,100/Department of Mental Health & Developmental Disabilities

\$2,122,100/Department of Human Services

\$2,122,100/Department of Correction

Assumptions:

- According to the Arts Commission, the Commission has been recommended to receive a total of \$2,277,400 in state appropriated dollars for FY10-11 (not including license plate revenue which is exempted by the bill).
- According to the Department of Finance and Administration (F&A), there is \$3,036,800 in public television grants budgeted for FY10-11.
- According to the Department of Transportation (TDOT), no state dollars will be expended for ferry transportation service across the Tennessee River between Benton County and Houston County due to ARRA grant funding for FY10-11.
- TDOT indicates that grounding three of the state's five planes would save between \$233,000 and \$575,000, depending on the planes grounded. The mid-point of this range is \$404,000. Therefore, the decrease to state expenditures as a result of grounding three state planes is estimated to be \$404,000 for FY10-11.
- TDOT further indicates that grounding of three state planes will require the Department to contract for services for aerial survey, airport inspections, and flight service. The Department projects increased expenditures between \$481,800 and \$930,000. The mid-

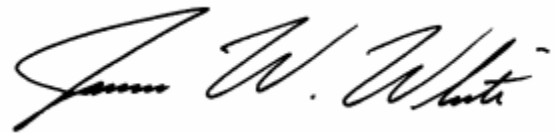
HB 3360 – SB 3779

point of this range is \$705,900. Therefore, the increase to state expenditures as a result of contracting for aerial surveys, airport inspections, and flight service is estimated to be \$705,900 for FY10-11.

- According to the Tennessee Board of Regents, the seismic commission receives \$65,000 per year in state appropriations.
- Based on information provided by the Department of Environment and Conservation and F&A, the reduction of expenditures associated with non-profitable state golf courses is estimated to be \$1,289,000.
- The net decrease to state expenditures from eliminating appropriations for these various purposes in FY10-11 is estimated to be \$6,366,300 $[(\$2,277,400 + \$3,036,800 + \$404,000 + \$65,000 + \$1,289,000) - \$705,900 = \$6,366,300]$.
- The funds not expended (\$6,366,300) for the various purposes specified by this bill shall be reallocated equally for expenditure from the Departments of Mental Health and Developmental Disabilities, Human Services, and Correction.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc